

WC 05-172 ORIGINAL

120399

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDINGFEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB

3060-0589

Page 1 of 1

(1) LOCK BOX #	FCC/MELLON		APR 08 2005			
SECTION A - PAYER INFORMATION						
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Arvig Enterprises, Inc.				(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$895.00		
(4) STREET ADDRESS LINE NO. 1 150 Second Ave., S.W.						
(5) STREET ADDRESS LINE NO. 2						
(6) CITY Perham				(7) STATE MN	(8) ZIP CODE 56573	
(9) DAYTIME TELEPHONE NUMBER (include area code) 218 346 8200				(10) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) REQUIRED						
(11) PAYER (FRN) 0008393118						
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET						
(13) APPLICANT NAME Arvig Enterprises						
(14) STREET ADDRESS LINE NO. 1 150 Second Ave., S.W.						
(15) STREET ADDRESS LINE NO. 2						
(16) CITY Perham				(17) STATE MN	(18) ZIP CODE 56573	
(19) DAYTIME TELEPHONE NUMBER (include area code) 218 346 8200				(20) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) REQUIRED						
(21) APPLICANT (FRN) 0008393118						
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET						
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE CUT		(25A) QUANTITY 1		
(26A) FEE DUE FOR (PTC) \$895.00		(27A) TOTAL FEE \$895.00				
(28A) FCC CODE 1		(29A) FCC CODE 2				
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE		(25B) QUANTITY		
(26B) FEE DUE FOR (PTC)		(27B) TOTAL FEE				
(28B) FCC CODE 1		(29B) FCC CODE 2				
SECTION D - CERTIFICATION						
CERTIFICATION STATEMENT I, <u>DAVIDA LOSSON</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.						
SIGNATURE <u>David Losson</u>				DATE <u>4/8/05</u>		
SECTION E - CREDIT CARD PAYMENT INFORMATION						
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____						
ACCOUNT NUMBER _____				EXPIRATION DATE _____		
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.						
SIGNATURE _____				DATE _____		

K R A S K I N, M O O R M A N & C O S S O N, L L C
ATTORNEYS AT LAW

2120 L Street, N.W., Suite 520
Washington, D.C. 20037

Telephone (202) 296-8890
Telecopier (202) 296-8893

April 8, 2005

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Re: Midwest Telephone Co., Osakis Telephone
Company, The Peoples Telephone Company of
Bigfork, Midwest Information Systems, Inc.,
Varistar Corporation and Arvig Enterprises, Inc.,
Application for Authorization Pursuant to Section
214 of the Communications Act of 1934, as
Amended, for Transfer of Control

Dear Ms. Dortch:

Attached please find an original and four copies of the Application for Transfer of Control being filed by Midwest Telephone Co., Osakis Telephone Company, The Peoples Telephone Company of Bigfork, Midwest Information Systems, Inc., Varistar Corporation and Arvig Enterprises, Inc. pursuant to Section 214 of the Communications Act and Section 63.04 of the Commission's Rules.

The requisite filing fee and FCC Form 159 Remittance Advice is being submitted by Courier to Mellon Bank, Pittsburgh, Pennsylvania on this date.

Please acknowledge receipt on the "stamp and return" duplicate document attached for this purpose. Please contact me if there are any questions regarding this matter.

Sincerely yours



David Cosson
Counsel to Arvig Enterprises, Inc..

Cc: William Dever, Competition Policy Division
Tracey Wilson-Parker, Competition Policy Division

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

In the Matter of)
)
Midwest Telephone Co.)
Osakis Telephone Company)
The Peoples Telephone Co. of Bigfork)
Midwest Information Systems, Inc.)
Varistar Corporation)
)
And)
)
Arvig Enterprises, Inc.)
)
Application for Authorization Pursuant to)
Section 214 of the Communications Act of 1934,)
as Amended, for Transfer of Control)

File No. _____

APPLICATION FOR TRANSFER OF CONTROL

Midwest Information Systems, Inc. ("MIS"), its wholly owned subsidiaries Midwest Telephone Co. and The Peoples Telephone Co. of Bigfork ("Peoples"), Midwest Telephone Co.'s wholly owned subsidiary Osakis Telephone Company ("Osakis"), and MIS' parent Varistar Corporation (collectively "Midwest" or "Transferor"), and Arvig Enterprises, Inc. ("Arvig" or "Transferee") (collectively the "Applicants"), by their undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Section 63.04 of the rules of the Federal Communications Commission ("FCC" or the "Commission"), 47 C.F.R. § 63.04, hereby request authority to transfer control of Midwest Telephone Co., Osakis and Peoples to Arvig. The Applicants entered into a Stock Purchase Agreement under which the three incumbent local exchange carriers will continue to provide

high quality telecommunications service to their subscribers upon completion of the transaction.

The Applicants seek streamlined treatment of the Application.

Pursuant to Section 63.04(a) of the Commission's rules, the Applicants provide the following information in support of this transaction:

(1) Applicants' Name, Address and Telephone Number

Transferors: Midwest Telephone Co.
Osakis Telephone Company
The Peoples Telephone Co. of Bigfork
Midwest Information Systems, Inc.
Varistar Corporation
4334 18th Ave., S.W.
Fargo, ND 58103

Telephone: 701 451 3574
Facsimile: 701 232 4108

Transferee: Arvig Enterprises, Inc.
150 Second Ave. S.W.
Perham, MN 56573

Telephone: 218 346 8200
Facsimile: 218 346 8215

(2) State of Organization

(a) Midwest Telephone Co., Osakis Telephone Company, The Peoples Telephone Co. of Bigfork, Midwest Information Systems, Inc. and Varistar Corporation are all Minnesota corporations.

(b) Arvig Enterprises, Inc. is a Minnesota corporation.

(3) Contact Information

All correspondence, notices and inquiries regarding this transaction should be addressed to:

Transferor: Jennifer Smestad
Varistar Corporation
4334 18th Ave., S.W., Suite 200
Fargo, ND 58103

Telephone: 701 451 3574

Facsimile: 701 232 4108

Transferee: Allen R. Arvig
Arvig Enterprises, Inc.
150 Second Ave., S.W.
Perham, MN 56573

Telephone: 218 346 8200

Facsimile: 218 346 8215

Copies of all correspondence, notices, and inquiries should also be addressed to:

Transferor: Shannon M. Heim
Dorsey & Whitney LLP
50 S. Sixth Street
Minneapolis, MN 55402

Telephone: 612 340 8899

Facsimile: 612 340 8800

Transferee: David Cosson
Kraskin, Moorman & Cosson, LLC
2120 L Street, NW, Suite 520
Washington, DC 20037

Telephone: 202 296 8890

Facsimile: 202 296 8893

(4) Ten percent (10%) Equity Shareholders

Transferor:

The following entity owns 10% or more of **Midwest Telephone Co. and The Peoples Telephone Co. of Bigfork:**

Name: Midwest Information Systems, Inc.
Citizenship: United States
Principal Business: Telecommunications
Percent Ownership: 100%

The following entity owns 10% or more of **Osakis Telephone Company:**

Name: Midwest Telephone Co.
Citizenship: United States
Principal Business: Telecommunications
Percent Ownership: 100%

The following entity owns 10% or more of **Midwest Information Systems, Inc.:**

Name: Varistar Corporation
Citizenship: United States
Principal Business: Telecommunications
Percent Ownership: 100%

The following entity owns 10% or more of **Varistar Corporation:**

Name: Otter Tail Corporation
Citizenship: United States
Principal Business: Holding Company
Percent Ownership: 100%

Otter Tail Corporation is publicly traded and no one entity owns 10%.

Transferee: Arvig Enterprises, Inc.

The following entities own 10% or more of Arvig Enterprises, Inc.

Name: Allen R. Arvig
Citizenship: United States
Principal Business: Employee of applicant Arvig Enterprises, Inc.
Percent Ownership: 35.75% (common)

Name: Donna M. Ward
Citizenship: United States
Principal Business: Employee of applicant Arvig Enterprises, Inc.
Percent Ownership: 21.09% (common)

Name: Marvin S. Ward, Successor Trustee, Eleanor M. Arvig Revocable
Trust U/A dated November 24, 1995
Citizenship: United States
Principal Business: Employee of applicant Arvig Enterprises, Inc.
Percent Ownership: 99.87% ¹

(5) Certification Pursuant to Rules 1.2001-1.2003

Applicants hereby certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

¹ The equity of Arvig Enterprises, Inc. is represented by both common and preferred stock, but no valuation has been made which would specify the percent of the equity represented by

(6) Description of Transaction

The Applicants executed a Stock Purchase Agreement for the transfer of all outstanding capital stock of Midwest Information Systems, Inc. to Arvig. Relevant to this Application, Arvig will acquire three incumbent local exchange carriers, Midwest Telephone Co., Osakis, and Peoples. Arvig commits to continue to provide high quality local and long distance service to the ILECs' current subscribers. Service will continue under the same terms and conditions subscribers currently enjoy.

(7) Geographic Description

Midwest Telephone Co., Osakis and Peoples are independent incumbent local exchange carriers providing local exchange, exchange access and long distance service to subscribers in the following local exchanges in Minnesota: Eagle Bend, Miliona, Parkers Prairie and Urbank (Midwest Telephone Co.); Bigfork and Marcell (Peoples); Osakis (Osakis Telephone Company).

(8) Streamlined Treatment

An exchange of an Arvig Enterprises affiliate lies adjacent to two exchanges of Midwest Telephone Co. Although the Application does not fall within the presumptive streamlined categories articulated in Section 63.03(b), other factors render the Application appropriate for streamlined treatment. The character of this Application closely mirrors those typically afforded streamlined treatment. The telecommunications assets at issue are not large, are rural in nature and the transfer raises no competitive issues. At the completion of the transaction, Arvig, together with all of its affiliates, will have a less than 10% share of the interstate, interexchange market. Arvig's local exchange carrier subsidiaries will have fewer than two (2) percent of the nation's subscriber lines. The Applicants submit no requests for waivers in association with this

each type of shares. Although the preferred shares have no voting rights, the ownership of the preferred is disclosed in an abundance of caution.

application. The Applicants therefore respectfully request that the Commission exercise the discretion provided in Section 63.04(a)(8) to grant streamlined treatment to this Application.

(9) Other Related Applications Before the Commission

Applications will be filed for the transfer of radio licenses related to this transaction.

(10) Statement of Imminent Business Failure

The Application requires no special consideration because no party to the transaction faces imminent business failure.

(11) Separately Filed Waiver Requests

The Applicants submitted no separately filed waivers.

(12) Public Interest Statement

The proposed transfer serves the public interest and authority to complete the transaction should be duly granted. *In re Application of Western Union Corp. and World Comm., Inc.*, Memorandum Opinion and Order, 4 FCC Rcd 2219, para. 10 (1989) (Public interest is served where the business is “continued in substantially the same form in the hands of the transferee.”). Arvig possesses the required financial, managerial and technical resources to provide telecommunications services through the acquired entities.

Arvig’s well-established record of providing the customers of its current-held operating subsidiaries with high quality telecommunication services supports a public interest finding. The current-held operating subsidiaries of Arvig providing telecommunications services include: East Otter Tail Telephone Company, Twin Valley-Ulen Telephone Company, Callaway Telephone Company, and Tekstar Communications, Inc. Each of these companies provides telecommunications services in Minnesota, in service areas that do not overlap with the local exchanges served by Midwest Telephone Co., Osakis or Peoples.

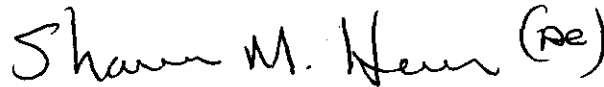
CONCLUSION

Applicants seek authority to transfer three incumbent LECs from one respected Minnesota company to another. The subscribers affected by the transfer will experience no change in service as a result of the transfer. For the foregoing reasons, Applicants respectfully request that the Commission provide this Application streamlined treatment and grant the Application as soon as practicable

Respectfully Submitted,


By

David Cosson
Kraskin, Moorman & Cosson, LLC
2120 L Street, NW, Suite 520
Washington, DC 20037
Attorney for Arvig Enterprises, Inc.


By

Shannon M. Heim
Dorsey & Whitney, LLP
50 S. Sixth Street
Minneapolis, MN 55402
Attorney for Varistar Corporation, et al.

April 8, 2005

DECLARATION OF DAVID R. ARVIG

I, David R. Arvig, V.P. of Arvig Enterprises, Inc., declare under penalty of perjury that Arvig Enterprises Inc., including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting and/or non-voting) of Arvig Enterprises, Inc., as specified in Section 1.2003(b) of the Commission's Rules, is not subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Executed on: 4/6/05

David R. Arvig

Certificate of Service

I, Darlene Poindexter, of Kraskin, Moorman & Cosson, LLC, 2120 L Street, N.W., Washington, D.C. 20037, do hereby certify that on this 8th day of April, 2005, a copy of the foregoing "Application for Transfer of Control" was mailed, U.S. First Class postage prepaid, to the following:

The Honorable Tim Pawlenty
Office of the Governor
130 State Capitol
75 Rev. Dr. Martin Luther King Blvd.
St. Paul, MN 55155

Department of Defense
Assistant Secretary of Defense for C3I
1000 Defense Pentagon, Room 3E172
Washington, DC 20301-1000

Department of State
EB/CIP/SCA
2201 C Street N.W.
Washington, DC 20520

Rebecca Halstead
Policy Division
International Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

William Dever, Deputy Chief
Competition Policy Division
Wireline Competition Commission
445 12th Street, SW
Washington, DC 20554



Darlene Poindexter